

1 Tyler Travis Sheets (SBN 315891)
2 tsheets@shaslaw.com
3 Armen Aslanian (SBN 318965)
4 aaslanian@shaslaw.com
5 SHEETS & ASLANIAN
6 633 West Fifth Street, Fl. 26
7 Los Angeles, CA 90071
8 Telephone: (213) 266-9000
9 Facsimile: (213) 266-9150

10 *Attorneys for Defendants,*
11 *Dr. Fred Starr,*
12 *International Neurofeedback Logistics, Inc.,*
13 *Myneurva Holdings, Inc.,*
14 *INL-MD Brain Data Mining LLC,*

15 **UNITED STATES DISTRICT COURT FOR THE**
16
17 **CENTRAL DISTRICT OF CALIFORNIA**

18 INTERNATIONAL NEUROFEEDBACK
19 LOGISTICS, INC., a Canadian
20 corporation; MYNEURVA HOLDINGS,
21 INC., a Wyoming Corporation; INL-MD
22 BRAIN DATA MINING LLC, a
23 Wyoming limited liability company; and
24 DR. FRED STARR, a United States citizen
25 and resident of Costa Rica;

26 Plaintiffs,
27 v.

28 TELEHEALTH MEDICAL GROUP,
29 INC., a California corporation,
30 REGENERATIVE MEDICAL GROUP,
31 INC., a California corporation, DR. BRYN
32 HENDERSON, a resident of California,
33 ARASI PRASAD, a resident of India; Dr.

Case No. cv-8:18-cv-1963

COMPLAINT FOR:

- 1. Breach of Contract**
- 2. Conversion**
- 3. Fraudulent Concealment**
- 4. Negligent Misrepresentation**
- 5. Rescission**
- 6. Unfair Competition [Bus. & Prof. Code §§ 17200 *et seq.*]**
- 7. Common Count**
- 8. Intentional Interference with Contractual Relations**
- 9. Breach of Fiduciary Relationship**
- 10. Defamation – Slander**
- 11. Intentional Interference with Economic Advantage**
- 12. Violation of Racketeer Influenced and Corrupt Organizations Act**

COMPLAINT

1 HOSSEIN VAZIRIPOUR, a resident of
2 California and DOES 1-10, inclusive,
3 Defendants.
4

13. Account Stated
14. Misappropriation of Trade Secrets
15. Quantum Meruit

JURY TRIAL DEMANDED

5 INTERNATIONAL NEUROFEEDBACK SOLUTIONS, INC., MYNEURVA
6 HOLDINGS, INC., INL-MD BRAIN DATA MINING, INC., and DR. FRED STARR,
7
8 by and through their attorneys, allege as follows:

9 **I. THE PARTIES**
10

11 1. Defendant, TELEHEALTH MEDICAL GROUP, INC. (“TMG”), is, and was at
12 all times mentioned herein, a California corporation with its principal place of business
13 and headquarters located in Orange, California.
14

15 2. Defendant, REGENERATIVE MEDICAL GROUP, INC. (“RMG”), is, and at
16 all times mentioned herein was, a California corporation with its principal place of
17 business and headquarters located in Orange, California.
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19 3. Defendant, DR. BRYN HENDERSON (“Dr. H”), is, and was at all times
20 mentioned herein was, a resident of Orange County, California.
21

22 4. Defendant, ARASI PRASAD (“Arasi”), is, and at all times relevant herein, and
23 all times relevant herein was, a resident of India. She was at all relevant times an
24 employee and agent of each of the other named defendants and thereby targeted the
25 State of California in that role.
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COMPLAINT

1 5. Defendant, Dr. HOSSEIN VAZIRIPOUR (“Dr. HV” and collectively the parties
2 identified in paragraphs 1-5 herein are referred to as “Defendants”), is, and at all times
3 relevant herein was, a resident of California.

5 6. Plaintiff, INTERNATIONAL NEUROFEEDBACK LOGISTICS, INC.
6 (“INL”), is, and was at all times mentioned herein, a corporation formed under the
7 laws of Canada with its principal place of business in Canada.

9 7. Plaintiff, MYNEURVA HOLDINGS, INC. (“Myneurva”), is, and was at all
10 times mentioned herein, a Wyoming corporation with its principal place of business in
11 Wyoming.

13 8. Plaintiff, INLD-MD BRAIN DATA MINING LLC (“INL-MD”), is, and was at
14 all times mentioned herein, a Wyoming limited liability company, with the following
15 members: (A) Julie Globus, a citizen of New York, and (B) Dr. Fred Starr a resident of
16 Costa Rica.

19 9. Plaintiff, Dr. FRED STARR (“Dr. Starr” and collectively the parties
20 individually identified as a Plaintiff in paragraphs 6-9 herein are referred to as
21 “Plaintiffs”) is a United States citizen residing in Costa Rica.

23 10. Plaintiffs do not know the true names of Defendants DOES 1 through 10 and
24 therefore sue them by those fictitious names. On information and belief, each of those
25 Defendants was in some manner legally responsible for wrongs alleged in the
26

Complaint and for Plaintiffs' damages. Plaintiffs will identify the names and capacities and relationships of DOES 1 through 10 by amendment when and if Plaintiffs ascertain such information. Each reference to a named Defendant below includes a reference to fictitiously names Defendants.

11. Upon information and belief, at all times mentioned herein, Defendants were agents and employees of their co-Defendants and acting within the course and scope of such agency and employment with consent of their co-Defendants and doing the things alleged in this Complaint within the course and scope of said agency and employment. On information and belief, each of the Defendants is, and at all times relevant to this Complaint was, the agent, employer, partner, joint venture, affiliate, and/or co-conspirator of the other Defendants and in doing the things alleged herein, was acting in the course and scope of such positions at the direction of and/or with the permission, knowledge, consent, or ratification of the other Defendants.

II. JURISDICTION AND VENUE

12. This Court has jurisdiction of the claim herein pursuant to 18 U.S.C. § 1964(c) and 28 U.S.C. § 1331. This civil action arises under the laws of the United States. Plaintiffs are allegation a violation of their rights under Title IX of the Organized Crime Control Act of 1970, as amended, 18 U.S.C. §§ 1961 *et seq.*

¹³ Venue herein is proper under 18 U.S.C. § 1965(a) and 28 U.S.C. § 1391(b) a

III. PRELIMINARY ALLEGATIONS

14. Plaintiffs are in the business of leasing quantitative electroencephalography (qEEG) equipment and providing analytical services to healthcare providers and provide neurofeedback assessment from electrical brain activity. The equipment and services provide patients an opportunity to self-regulate and temper certain neurological conditions.

15. Defendant, TMG, is a healthcare provider that leased neurofeedback equipment from Plaintiffs and also orally agreed to procure qEEG analysis and other services in connection with the equipment for compensation.

16. Defendant, Dr. H, is a licensed medical professional and an agent, director, and executive officer of TMG and RMG.

17. Upon information and belief, defendant, Arasi, is the Director of Business Operations for TMG and RMG.

18. Defendant, Dr. HV, has acted with apparent authority of an agent of Dr. H, TMG, and/or RMG in dealing with Plaintiffs. Upon information and belief, Dr. HV is not a licensed medical professional but has held himself out to be one, using various pseudonyms to conduct unlawful business transactions in the United States and in Mexico.

1 19. This dispute originates from an accumulation of suspicious conduct by Dr. H's
2 medical practice at TMG and RMG, which Plaintiffs soon found untenable including
3 reports of the importation and injection of unsterilized stem cells into patients,
4 unlawful employment of unlicensed individuals in the practice of medicine, and other
5 dangerous and unlawful activities. Around that same time, Defendants evaded simple
6 questions and ceased making payments to Plaintiffs for the value of their services.
7
8

9 20. The relationship began Dr. H held himself out as a mentor to Dr. Starr early in
10 their relationship and garnered trust upon with the intent that Dr. Starr would rely to
11 his detriment by divulging confidential information that Dr. H would later use for his
12 own profit.
13
14

15 21. Upon information and belief, Dr. H acted with the malicious, wanton and
16 willful intent of sulling Dr. Starr's professional reputation by spreading false rumors
17 about him for the purpose of destroying the trust Dr. Starr's patients placed in him.
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20 22. Upon information and belief, this scheme involved spreading false rumors
21 about the safety and efficacy of Dr. Starr's methods and representing Dr. H's practices
22 as more efficacious and safer. In fact, Dr. H's practices were, unbeknownst to Dr. Starr
23 at that time, discordant with regulations having the effect of law, potentially perilous to
24 patient's health, and less efficacious medical procedures.
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COMPLAINT

1 23. Upon information and belief, Dr. H also used confidential information received
2 from Dr. Starr to under false pretenses through a corporate espionage scheme in
3 violation of California and federal laws in order to avoid paying Dr. Starr and to
4 unfairly, fraudulently, and unlawfully profit from Dr. Starr's efforts.

5 24. As a result of such corporate espionage, Dr. H learned information that had
6 been maintained as a valuable trade secret by Plaintiffs independently from the value
7 of the information itself.

8 25. Dr. Starr and Dr. H's business relationship began with an oral agreement to
9 provide neurofeedback equipment and to analyze readouts of Defendants' patients in
10 consideration for payments, which initially were made on a regular schedule.

11 26. Defendants, through Dr. Starr and other agents, both orally and, upon
12 information and belief in writing, represented to Dr. Starr and Plaintiffs that their
13 practice was medically and legally legitimate and compliant and that it would remain
14 so for the duration of the relationship. Upon information and belief that statement was
15 false when it was made.

16 27. Dr. H further represented to Plaintiffs and, through his agents to Plaintiffs'
17 outside general counsel, that they intended to formalize the arrangement by a written
18 contract. Upon information and belief, that statement was false when it was made, and
19 Plaintiffs' efforts to finalize a written contract were

1 28. Defendants made these statements for the purpose of inducing reliance by
2 Plaintiffs and to retain possession of the neurofeedback equipment and analytical
3 services.
4

5 29. In reliance on these false representations, Plaintiffs continued to allow
6 Defendants use of the equipment and continued to provide analytical services at a cost
7 to itself.
8

9 30. Beyond failing to pay for the use of the equipment and for the services
10 provided, Dr. H and TMG used the equipment in such a way that required the approval
11 of the Food and Drug Administration (“FDA”) which Dr. H and TMG unlawfully
12 failed to secure.
13

14 31. In further contravention of the law, Dr. H and TMG allowed the untrained and
15 unlicensed personnel, including Dr. HV, to practice medicine by misrepresenting their
16 credentials to patients and asking that those patients and personnel keep such
17 information from Plaintiffs.
18

19 32. When questioned regarding a federal investigation of Defendants’ practice by
20 Dr. Starr, Dr. H responded that the investigation and the complaints were baseless.
21 Meanwhile, Dr. H took extreme precaution to ensure that federal investigators,
22 colleagues, and particularly Plaintiffs would not discover how far from legal and
23 regulatory compliance Defendants’ practices and procedures were.
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1 33. Upon information and belief, Dr. H learned of and misappropriated
2 confidential, proprietary and trade secret information in connection with his breach of
3 the many contractual agreements he made with each Plaintiff.
4

5 34. Plaintiffs' investigation revealed the following: (1) Dr. H failed to disclose
6 conflicts of interest related to the other Defendants competitive behavior against
7 Plaintiffs, and (2) Dr. H improperly influenced relationships between Plaintiffs and
8 their vendors and end consumers of the goods and services they provided.
9

10 35. On information and belief, using information garnered by a series of
11 conversations spread across several years, Dr. H was accessed Plaintiffs' computer
12 systems by abusing its confidential relationship with Dr. H.
13

14 36. On information and belief, Dr. H used software which copied hundreds of files
15 from Dr. Starr and other Plaintiffs' computer systems used in their business.
16

17 37. On information and belief, the confidential, proprietary, and trade-secret-
18 protected information surreptitiously collected included, *inter alia*, the following:
19

20 • Advanced and likely novel analytical techniques used to assess QEEG readouts,
21 • Information regarding the identities and qualities of various vendors and sources
22 of equipment,
23 • Internal guidelines, company rate structures, financial information, strategic
24 opportunities, allocation of resources, and performance metrics.
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1 38. Dr. H, on TMG's and his own behalf, made threatening phone calls on which he
2 raised his voice and made veiled threats to Plaintiffs' employees to prevent them from
3 asking questions and learning of regulatory violations.
4

5 39. On information and belief, Dr. H recommended that his patients not rely on Dr.
6 Starr and misrepresented his methodology as inferior.
7

8 40. Dr. H further told his staff that Dr. Starr and Plaintiffs approved of his sub-
9 standard practices knowing that the statement was false when made.
10

11 41. These false statements have, on information and belief, severely damaged Dr.
12 Starr and Plaintiffs' reputational interests.
13

14 42. Defendants' also conspired to prevent Plaintiffs from exercising legal rights by
15 reporting unlawful administration of medicine, which, on information and belief,
16 prevented authorities from learning of violations.
17

18 43. On information and belief, Dr. H was in violation of several state and federal
19 healthcare safety laws and is or was at relevant times under investigation for those
20 likely violations.
21

22 44. On information and belief, Defendants were importing stem cells for injection
23 into the body that were not properly sterilized in violation of Customs and Border
24 Protection ("CBP") and FDA regulations from clinics in Mexico.
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COMPLAINT

1 45. Dr. H also published false statements regarding Plaintiffs practices to third-
2 party vendors which were made with awareness that Plaintiffs had an economic
3 relationship with those vendors.
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5 46. On information and belief, Dr. H intended to disrupt the relationship by falsely
6 touting his sub-standard method as superior to Plaintiffs and falsely claiming Dr. Starr
7 approved of those methods, which were in violation of professional standards.
8

9 47. As the relationship soured because of Defendants' failure to pay for services
10 rendered and goods received, Dr. H began making threatening phone calls to Plaintiffs'
11 staff, often screaming at them and falsely accusing them of various wrongs.
12

13 48. As a proximate and direct result of Defendants non-payment for services
14 rendered and goods provided, Plaintiffs have suffered harm by not receiving the
15 expected benefits of their agreements with Defendants.
16

17 49. As a proximate and direct result of Defendants retention of the benefits of
18 services rendered the use of goods leased without paying for either, Defendants have
19 been unjustly enriched in an amount to be proven at trial and to which Plaintiffs are
20 entitled.
21

22 50. As a proximate and direct result of Defendants' conspiracy to interfere with
23 Plaintiffs' business relationships with third-party vendors, Plaintiffs are entitled to
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1 recover the losses suffered as a result of such interference in an amount to be proven at
2 trial.
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4 **IV. CAUSES OF ACTION**

5 **First Cause of Action (Breach of Oral Contract)**

6 51. Plaintiffs re-allege and incorporate by reference the above paragraphs of this
7 Complaint as though fully set forth herein.

9 52. On or about February of 2014 Defendant, Dr. Henderson contacted Plaintiffs
10 Dr. Starr and, during that conversation, they entered into an oral contract for the use of
11 neurofeedback equipment, maintenance of that equipment, and services necessary for
12 the effective use and application of that equipment, including quantitative analysis of
13 electroencephalograms.
14

16 53. Through acceptance of the equipment and continued requests for analysis of the
17 electroencephalograms, Defendants manifested intent to be bound by contract.
18

19 54. In or around February of 2014, Plaintiffs began providing and Defendants
20 received the use of neurofeedback equipment and attendant services on the
21 understanding that use of the equipment and analytical services would incur a cost to
22 Plaintiffs.
23

24 55. Defendants knew that these services were being provided and repeatedly
25 promised to pay for their reasonable value.
26

1 56. Defendants breached this oral agreement by failing, neglecting, and refusing to
2 compensate Plaintiffs in full for the services provided to Defendants under the oral
3 agreement.
4

5 57. Plaintiffs expected to receive payment as it had received for so long as the
6 equipment and services were provided. That expectation was not fulfilled, and the
7 harm to Plaintiffs caused by Defendants non-performance is at this time in excess of
8 \$50,000.
9

10 58. Defendants breach of the agreement was material in that complete failure to pay
11 for months of use of equipment and related services destroyed the very purpose of the
12 agreement for Plaintiffs.
13
14

15 59. Plaintiffs performed all of their obligations under the contract at all times
16 relevant herein.
17

18 60. Defendants breach of the agreement was a substantial factor in causing
19 Plaintiff's harm.
20

21 61. As a proximate result of Defendants' conduct, Plaintiffs are entitled to all
22 compensatory damages in an amount according to proof at trial in excess of this
23 Court's jurisdictional minimum, or alternatively, rescission of the contract with
24 Defendants, plus cost of suit, and all available pre-judgement interest.
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62. Defendants' conduct harmed Plaintiffs, including, but not limited to, by not having the benefits of the use of the neurofeedback equipment, the costs of replacement parts for the equipment, the time spent providing analysis of the neurofeedback data, and the costs of employing personnel for the purpose of pursuing the amounts owed.

63. As a proximate result of Defendant's conduct, Plaintiffs are entitled to compensatory damages in an amount according to proof at trial in excess of this Court's jurisdictional minimum, or alternatively, rescission of the contract with Defendants, plus cost of suit, and all available pre-judgement and post-judgment interest.

Second Cause of Action (Conversion – Against all Defendants)

64. Plaintiffs re-allege and incorporate by reference the above paragraphs of this Complaint as though fully set forth herein.

65. Plaintiffs entrusted neurofeedback equipment which was Plaintiffs' property to Defendants. The equipment was entrusted to Defendants for the purpose of performing neurofeedback analysis in adherence with certain standards that were made known to Defendants and of which Defendants were aware. Plaintiffs entrusted the equipment for so long as Defendants continued making payments.

66. Defendants did not adhere to the required standards, but instead used the equipment in sub-standard ways that increased the costs of maintenance of the equipment which Plaintiffs continued to provide. Defendants did not adhere to the required standards because doing so would have increased Defendants' costs.

67. Defendants failed to pay for the use of the equipment and when they did pay, the payments were often deficient in relation to the amount due.

68. Upon information and belief, Plaintiffs made it known that the equipment and any use of it was to be returned and demand for such was made known to Defendant once those standards were not followed and payments were deficient and eventually ceased entirely.

69. In spite of their failure to make payments or follow agreed-upon standards, Plaintiffs kept and continued to use the equipment after the demand for return of the equipment was made.

70. Through retaining the equipment, Defendants intentionally and substantially interfered with Plaintiffs' right to no less than \$33,768.22 that Defendants received from insurance companies only because Defendants were entrusted to transfer amounts owed to Plaintiffs.

71. Thus, at the time of the conversion, Plaintiffs had ownership of and immediate right to possession of that amount.

1 72. Plaintiffs were further harmed by way of the loss of use of the equipment in its
2 business and its reputational interests by way of the substandard use of the equipment.
3

4 73. Plaintiffs also paid significant amounts on the recovery of the equipment and the
5 unpaid amounts for prior use of the equipment.
6

7 74. But for Defendants' conversion, Plaintiffs would not have suffered these harms
8 and Defendants' conduct was a substantial factor in bringing each of them about.
9

10 75. The amount of money paid to Defendants by insurance companies was in an
11 amount of \$33,768.22 and that amount belonged to Plaintiffs but was not used for
12 Plaintiffs benefit in any manner.
13

14 76. Defendants conduct was willful, malicious, and fraudulent in that Defendants
15 concealed information, instructed their employees to conceal information, made false
16 statements to vendors and others in the field regarding how the equipment was to be
17 used. For this reason, these acts merit punitive damages.
18

19 77. Defendants wrongful conduct was, upon information and belief, carried out
20 against Dr. Windham, a former agent of TMG, who Defendants disparaged with the
21 goal of taking Dr. Windham's patients without having to pay for Dr. Windham's
22 efforts. As such Defendants employed a pattern and practice of this wrongful behavior,
23 proving further that punitive damages are appropriate.
24

25 **Third Cause of Action (Fraudulent Misrepresentation – All Defendants)**
26

1 78. Plaintiffs re-allege and incorporate by reference the above paragraphs of this
2 Complaint as though fully set forth herein.
3

4 79. In or round February of 2015, Dr. Henderson spoke with Dr. Starr, his former
5 mentee and current medical director of Plaintiffs, regarding a business relationship
6 whereby Plaintiffs would provide neurofeedback equipment and provide the services
7 necessary to ensure proper application and procedures in exchange for a fee in a
8 mutually beneficial manner.
9

10 10 80. Soon thereafter, Plaintiffs began providing the equipment and services and Dr.
11 Henderson, in turn, paid the agreed upon fees.
12

13 13 81. In or around 2017, Plaintiffs began having difficulty receiving payments,
14 including declined credit card transactions, payment of less than the amount due, and
15 eventually payments ceased altogether.
16

17 17 82. Dr. H had his medical director draft a memorandum of understanding and
18 represented his wish to cement the agreement in a written contract to provide certainty.
19 Upon information and belief, that representation was false when it was made and with
20 the intent to delay any cause of action by Dr. Starr and stave off reasonable suspicion.
21

22 83. Around the same time, Plaintiffs began receiving reports from current and
23 former employees of TMG that Dr. H told them to keep information regarding
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1 Defendants' violations of legal and ethical standards and deviations from agreed-upon
2 procedures secret from Dr. Starr, Plaintiffs' Medical Director.
3

4 84. Specifically, upon information and belief, Dr. Henderson or agents acting and
5 speaking on his behalf made statements to the effect of, "We can't let Dr. Starr find out
6 about this" and to tell patients that Defendants were planning to break the relationship
7 with Dr. Starr because Dr. Henderson's non-compliant methods were superior.
8

9 85. Upon information and belief, these statements were made to conceal material
10 information from Plaintiffs and from Defendants' patients so that Plaintiffs' effort to
11 conduct due diligence would be thwarted while Defendants continued to receive
12 payments without Plaintiffs' knowledge.
13

14 86. The information that was intentionally concealed from Plaintiffs related to safety
15 protocols and quality control of the use of the equipment Plaintiffs provided to
16 Defendants and the necessary services related thereto.
17

18 87. Moreover, Defendants made misrepresentations to Dr. H and TMG's patients in
19 an attempt to prevent Plaintiffs from learning the true nature of Defendants practice
20 and to maintain profits in spite of substandard and unethical medical practices.
21

22 88. Each statement alleged herein that relates to misrepresentation was made known
23 by employees or former employees of Defendants' either directly or indirectly.
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COMPLAINT

1 89. Plaintiffs relied on the Defendants' misrepresentations or concealment by
2 continuing to allow Defendants to use the neurofeedback equipment, providing
3 maintenance services necessary for its proper application, and analysis of the qEEG
4 scans.

5 90. Plaintiffs' reliance was justifiable because of the relationship of trust Dr. H had
6 curried with Dr. Starr and the fact that Dr. H was a licensed doctor subject to state and
7 federal regulations.

8 91. Further, Defendants intentionally concealed material information from Plaintiffs
9 that would have caused Plaintiffs to rescind the contract, if known.

10 92. Defendants engaged in such deceit as a matter of practice and pattern and such
11 practice and pattern was conducted with the willful disregard of the harm it was known
12 to Defendants that Plaintiffs would suffer.

13 93. Defendants acted with malice and oppression in addition to fraud and with the
14 intent to displace Plaintiffs of money and access to the customers it served.

15 94. Defendants acted with such intent to defraud at the time the acts alleged in this
16 cause of action took place.

17 95. Plaintiffs' reliance of Defendants fraudulent concealment caused severe
18 distress, lost profits, missed opportunities, and much more. These harms were piled
19 upon the consequential damages Plaintiffs suffered from Defendants failure to pay.

1 96. Because Dr. H concealed the nature of federal investigations of his practice and
2 orally represented to him that the nature of the investigations was meaningless,
3 Plaintiffs continued to provide services and goods.
4

5 **Fourth Cause of Action (Negligent Misrepresentation – Against all Defendants)**

6 97. Plaintiffs re-allege and incorporate by reference the above paragraphs of this
7 Complaint as though fully set forth herein.

8 98. On information and belief, Defendants directed employees to make
9 representations to Plaintiffs with the intent to prevent Plaintiffs from investigating the
10 nature of the unethical provision of medical treatment and misuse of medical
11 equipment leased to Defendants.
12

13 99. Patients were told that substandard applications of medical devices leased to
14 Defendants for the purpose of treatment were preferred.
15

16 100. Defendants falsely stated to patients and vendors that Plaintiffs' practiced
17 inferior applications of neurofeedback procedure.
18

19 101. If Defendants did not know these statements were false, as medical
20 professionals they should have known these statements were false, and they made the
21 statements nonetheless.
22

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1 102. Defendants also concealed information regarding their regulatory
2 compliance by repeatedly failing to meet legal standards which they knew or should
3 have known were material to Plaintiffs' ongoing contractual relationship.
4

5 103. As a result of Defendants negligent misrepresentations, Plaintiffs suffered
6 monetary damages, reputational harm, opportunity costs, and more in an amount to be
7 proven at trial, but certainly above this Court's jurisdictional minimum, including all
8 pre-judgment and post-judgment interest.
9

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11

12 **Fifth Cause of Action (Rescission Based on Fraud/Mistake – All Defendants)**
13

14 104. Plaintiffs re-allege and incorporates by reference the above paragraphs of
15 this Complaint as though fully set forth herein.
16

17 105. Defendants induced Plaintiffs to enter into agreements to provide use of
18 its qEEG equipment and related services knowing that Plaintiffs were mistaken about
19 Defendants legal and ethical compliance.
20

21 106. Defendants concealed facts that, if known, would have prevented
22 Plaintiffs from entering into agreements with Defendants, providing use of Plaintiffs'
23 qEEG equipment, and providing Defendants with necessary services.
24

25 107. Defendants fraudulent conduct renders the agreements voidable and
26 subject to rescission at Plaintiffs' option to recover restitution plus interest.
27
28

1 108. Plaintiffs intend service of this Complaint to serve as notice of rescission
2 of all agreements mentioned herein, and hereby offers to restore all consideration and
3 benefits furnished under the agreements as the Court may decree to effectuate this
4 rescission. Plaintiffs seek any and relief that is necessary to adjust the equities between
5 the parties to ensure restoration of the status quo directly before the aforementioned
6 agreement.

7 109. Plaintiffs seek restitution of all payments made in connection with the
8 aforementioned agreement, plus interest. *See*, Code Civ. Proc. § 1692.

9 110. Plaintiffs are entitled to punitive damages based on Defendant's fraud,
10 oppression, and malice.

11 111. Defendants took advantage of a relationship of trust in which Plaintiffs
12 were justified in relying on representations made by Defendants. Defendants knew at
13 the time representations were made to Plaintiffs regarding legal compliance, ability to
14 pay, intent to pay, and more, that they were false.

15 112. Defendants acted with the intent to cause injury to Plaintiffs, and they
16 acted with knowing disregard of Plaintiffs' rights. Defendants committed fraudulent
17 acts while under knowledge with substantial certainty that those acts would subject
18 Plaintiff to cruel and unjust hardship.

1 113. Defendants repeated these acts in such a way that they became a pattern
2 and practice of misrepresentation with the intent of inducing further reliance.
3

4 **Sixth Cause of Action (Unfair Competition in Violation of Bus. & Prof. Code §§**

5 **17200 et seq. – Against all Defendants)**

6 114. Plaintiffs re-allege and incorporate by reference the above paragraphs of
7 this Complaint as though fully set forth herein.

8 115. Defendants did not comply with state and federal safety regulations,
9 customs rules, and engaged in the illegal, unlicensed practice of medicine by
10 representing to patients that Defendants' nurse practitioner was a medical doctor and
11 the patients referred to her as such.
12

13 116. Dr. H made false statements about other doctors working with TMG in
14 order to take over those doctor's patients and increase their financial position,
15 including by having other medical doctors report capable and moral doctors based on
16 false information.
17

18 117. Defendants conduct as alleged above constitutes unfair competition under
19 Bus. & Prof. Code §§ 17200 et seq.
20

21 118. Defendants conduct was also unlawful by failing to adhere to professional
22 standards and safety regulations of federal agencies, including but not limited to the
23 Food and Drug Administration and Customs and Border Protection.
24

1 119. Plaintiffs has suffered injury-in-fact and has lost money and property as a
2 result of Defendants unlawful, unfair, and/or fraudulent business practices.
3

4 120. Defendants' default renders the contract voidable or subject to rescission
5 with Restitution plus interest at Plaintiffs' option.
6

7 121. Plaintiffs intend service of this Complaint to serve as notice of rescission
8 of the aforementioned agreement, and hereby offers to restore all consideration and
9 benefits furnished by Defendants under the contract as the Court may decree to
10 effectuate this rescission. Plaintiffs seek any and all relief that is necessary to adjust the
11 equities between the parties and to ensure restoration of the status quo directly before
12 the aforementioned agreement.
13

14 122. As a result of Defendants conduct, Plaintiffs' lost the use of equipment,
15 the value of employee's services provided, attorney's fees and other costs of attempts
16 to recover its damages, lost business opportunities and more.
17

18 123. By reason of these acts, Plaintiffs are entitled to restitution of the value of
19 services provided, the value of lost use and enjoyment of the qEEG equipment, costs
20 of attempts to recover, and more in an amount to be proven at trial.
21

22 124. Plaintiffs are entitled punitive damages because of the willfulness of
23 Defendants' conduction and the malice and oppressiveness with which it was carried
24 out. Defendants intended to cause the injuries that made the contract voidable.
25

1 Defendants were aware of the dangerousness of their conduct and deliberately failed to
2 avoid those consequences. Defendants have endured severe, cruel, and unjust hardship
3 as a result of Plaintiffs' conduct and indifference toward or intent to cause it.
4

5 **Seventh Cause of Action (Common Count – Money Had and Received – All**

6 **Defendants)**

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8 125. Plaintiffs re-allege and incorporate by reference the above paragraphs of
9 this Complaint as though fully set forth herein.
10

11 126. Defendants received money which belongs to Plaintiffs which, upon
12 information and belief, is an amount exceeding \$33,768.22.
13

14 127. This money was intended to be used for Plaintiffs' benefit.
15

16 128. Defendants did not use this money for Plaintiffs' benefit and did not
17 transfer the money to Plaintiffs.
18

19 129. Plaintiffs are entitled to the money Defendants had and received.
20

Eighth Cause of Action (Intentional Interference with Contractual Relations – All

21 **Defendants)**

22 130. Plaintiffs re-allege and incorporate by reference the above paragraphs of
23 this Complaint as though fully set forth herein.
24

25 131. Plaintiffs had valid contracts with Brainmaster, Inc. a third-party provider
26 of parts used in neurofeedback equipment.
27
28

1 132. After Plaintiffs' use of this third-party parts provider, Defendants were
2 introduced to and began making purchases of a part known as the "Freedom 24" from
3 them.
4

5 133. At all relevant times, Defendants were aware of Plaintiffs' and the third-
6 party's contractual relationship.
7

8 134. Defendants misrepresented Plaintiffs' use of the third-party's product as
9 inferior with full knowledge that Defendants' practices were in violation of
10 professional standards and likely to cause harm.
11

12 135. Upon information and belief, the product Defendants purchased from the
13 third-party was used for unlawful purposes under federal and state safety regulations
14 and professional standards.
15

16 136. Upon information and belief, Defendants claimed Plaintiffs' use of the
17 product was inferior to theirs through explicit statements to the third-party vendor.
18

19 137. These statements were, upon information and belief, made for the purpose
20 of pre-empting the truthful testimony from Plaintiffs to the contrary.
21

22 Ninth Cause of Action (Breach of Fiduciary Relationship – All Defendants)

23 138. Plaintiffs re-allege and incorporate by reference the above paragraphs of
24 this Complaint as though fully set forth herein.
25
26
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1 139. Dr. H established a confidential relationship of trust with Dr. Starr by
2 mechanizing his position in the medical field and his personal history with Dr. Starr
3 that pre-dated any business relationship. Dr. H also habitually concealed material
4 information from Dr. Starr and continued to do so as an agent of TMG. TMG
5 maintained this confidential relationship by concealing Dr. H's unethical and illegal
6 practice in order to continue profiting from Dr. Starr's expertise, and the equipment
7 and attendant services necessary for the neurofeedback analysis.

8 140. Dr. Starr provided valuable information to Dr. H relying on a reasonable
9 expectation of privacy, and, upon information and belief, Dr. H manifested an intent to
10 maintain the confidentiality of that information before and after the disclosure.

11 141. The expectation of privacy was reasonable based on not only the trust and
12 confidentiality inherent to the relationship, but common social norms would lead any
13 reasonable person to find disclosure for Dr. H's profit jarring and unlikely.

14 142. Upon information and belief, Dr. H did disclose and use the valuable
15 information that Dr. Starr revealed to him within that reasonably private context and
16 did so for his own monetary and professional gain.

17 143. Upon information and belief Dr. H made that disclosure under the
18 knowledge with substantial certainty that it would harm Dr. Starr and with willful
19 disregard of that knowledge.

1 144. Dr. Starr suffered harm from Dr. H's breach of trust and wrongful
2 disclosure of information provided as a beneficiary to a fiduciary in the form of
3 consequential damages, lost profits, harm to reputational interests, and reliance
4 damages.
5

6 **Tenth Cause of Action (Defamation – Slander – All Defendants)**
7

8 145. Plaintiffs re-allege and incorporate by reference the above paragraphs of
9 this Complaint as though fully set forth herein.
10

11 146. Defendants orally represented to third parties that Dr. Starr had approved
12 on procedures that were non-compliant with professional standards, state and federal
13 law, and dangerous.
14

15 147. Defendants knew these statements were false at the time they were made
16 but made them nonetheless in order to disparage Dr. Starr and Plaintiffs for the
17 purpose of co-opting their good character so that Defendants could continue negligent
18 practices at a lower cost to itself and without the costs of Dr. Starr's expertise.
19

20 148. As a result of these disparaging and false statements, Plaintiffs lost many
21 business opportunities, most of which rely on the good name and professional
22 compliance of Plaintiffs.
23

24 **Eleventh Cause of Action (Intentional Interference with Economic Advantage –**
25
26 **All Defendants)**
27
28

1 149. Plaintiffs re-allege and incorporate by reference the above paragraphs of
2 this Complaint as though fully set forth herein.
3

4 150. Plaintiffs had a third-party economic relationship with vendors of
5 component parts of neurofeedback equipment that was very likely to bear and
6 economic benefit to Plaintiffs in the future.
7

8 151. Defendants knew of the relationship and did not act with due care and
9 even acted intentionally to disturb the relationship by making false and disparaging
10 remarks about Plaintiffs' practice and appropriating Dr. Starr's name in order to boast
11 about his practice's compliance.
12

13 152. Such disruptive conduct was wrong independent of this cause of action
14 because Dr. H intended to practice in a way that did not comply with professional
15 ethical standards for the sake of Defendants' profit and at the risk of his patient's care.
16
17 **Twelfth Cause of Action (Racketeer Influenced and Corrupt Organizations Act**

19 **Violations — All Defendants)**

20 153. Plaintiffs re-allege and incorporate by reference the above paragraphs of
21 this Complaint as though fully set forth herein.
22

23 154. Defendants are an enterprise engaged in and the activities of which affect
24 interstate and foreign commerce.
25
26
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28

1 155. Defendants, Dr. H, Dr. HV, and Arasi, as persons within the meaning of
2 18 U.S.C. § 1961(3) and as persons associated with said enterprise, conducted and
3 participated, directly and indirectly, in the conduct of the affairs of said enterprise
4 through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(c).
5

6 156. The six predicate acts which constitute this pattern of racketeering are:
7

- 8 a. Employment of a scheme or artifice designed to obtain money or property
9 by false pretenses through use of the mails or wires to transmit
10 communications and make payments for illegally obtained, unsterile stem
11 cells from Mexico. 18 U.S.C. §§ 1341, 1343.
- 13 b. Engagement in economic espionage and theft of trade secrets. 18 U.S.C.
14 §§ 1831-32.
- 16 c. Knowingly possessing a false identification document with the intent of
17 defrauding the United States. 18 U.S.C. § 1028.
- 19 d. Trafficking in goods bearing counterfeit labeling. 18 U.S.C. § 2320.
- 20 e. Conspiring with each other to commit the predicate crimes listed above;
- 22 f. Aiding and abetting the commission of the above predicated crimes
23 through independent fraudulent misrepresentations and statements to
24 conceal material information to substantially assist in the commission of
25 the predicate crimes by the principals.

1 157. These six acts of racketeering, occurring within ten years of one another,
2 constitute a pattern of racketeering activity within the meaning of 18 U.S.C. § 1961(5).
3

4 158. Plaintiffs were injured in their businesses and property interests by reason
5 of this violation of 18 U.S.C. § 1962, in that, as a direct and proximate result of
6 Defendant's complained of acts, Plaintiffs suffered damages, including damages to
7 their professional reputations, emotional injuries, monetary damages suffered in
8 reliance on false representations, the costs of terminating of Plaintiffs' business
9 relationship with Defendants to avoid association with racketeering, and other
10 consequential damages.
11

12 159. By reason of the Defendants' violation of 18 U.S.C. § 1962, Plaintiffs are
13 entitled, pursuant to 18 U.S.C. § 1964(c), to threefold the damages sustained, with
14 interest thereon at a reasonable rate per annum, and a reasonable attorney fee in
15 connection herewith.
16

17 **Thirteenth Cause of Action (Account Stated Dr. H & TMG)**
18

19 160. Plaintiffs re-allege and incorporate by reference the above paragraphs of
20 this Complaint as though fully set forth herein.
21

22 161. Dr. H and TMG agreed to pay for Plaintiffs' analysis and for use of the
23 neural scanning equipment. Once payment was not made, the relationship between Dr.
24 H and TMG and Plaintiffs became one of debtors and creditors, respectively.
25
26

1 162. Plaintiffs provided invoices and, on several occasions, received
2 confirmation from Dr. H and other agents of TMG that the amount was indisputably
3 owed and past due.
4

5 163. Plaintiffs continued to provide and Dr. H and TMG continued to receive
6 the benefits of Plaintiffs' services, but, as of the time of the filing of this Complaint,
7 Dr. H and TMG had not performed according to the agreement.
8

9 164. Dr. H and other agents of TMG promised, expressly or impliedly, to pay
10 the amount stated, but have still not made those payments.
11

12 **Fourteenth Cause of Action (Misappropriation of Trade Secrets – Dr. H & TMG)**

13 165. Plaintiffs re-allege and incorporate by reference the above paragraphs of
14 this Complaint as though fully set forth herein.
15

16 166. Dr. H acquired trade secrets from Dr. Starr through his impropriety and
17 deceit, which included information not generally known to or ascertainable by those
18 outside of Plaintiffs' organization.
19

20 167. The information Dr. H misappropriated derived value on top and
21 independent of its intrinsic value by being kept secret.
22

23 168. Plaintiffs exercised reasonable efforts to preserve the secrecy of the
24 information improperly acquired by Dr. H at the time it he obtained it.
25
26
27
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1 169. Dr. H disclosed the trade secret protected information to TMG and TMG,
2 through its agents operationalized that information for the profit of TMG.
3

4 **Fifteenth Cause of Action (Quantum Meruit – Arasi, Dr. H, & TMG)**

5 170. Plaintiffs re-allege and incorporate by reference the above paragraphs of
6 this Complaint as though fully set forth herein.
7

8 171. Plaintiffs performed services that inured to the benefit of Dr. H and TMG,
9 in good faith and reasonably expected to be compensated for those services based on a
10 persistent reassurance that they intended to make good on an obligation to do so.
11

12 172. Neither Dr. H nor TMG paid for those services performed, which
13 Plaintiffs performed at the request of Plaintiffs and from which they received the
14 benefit of.
15

16 173. Therefore, Plaintiffs are entitled to the outstanding compensation in a
17 reasonable amount to be proven at trial, but in no event less than \$33,768.22.
18

19 **V. PRAYER FOR RELIEF**

20 Wherefore, Plaintiffs pray for judgment against Defendants, and that the Court
21 award Plaintiffs as follows:
22

23 A. On the first cause of action, for expectation damages in an amount to be proven
24 at trial, which Plaintiffs estimate to be at least \$80,000;
25
26
27
28

1 B. On the second cause of action, for compensatory damages in an amount to be
2 proven at trial, which Plaintiffs estimate to be at least \$33,768.22 and for punitive
3 damages;

5 C. On the third cause of action, for compensatory damages in an amount to be
6 proven at trial, which Plaintiff estimates to be at least \$90,000 and for punitive
7 damages;

9 D. On the fourth cause of action, for compensatory damages in an amount to be
10 proven at trial, which Plaintiffs estimate to be at least \$70,000;

12 E. On the fifth cause of action for restitutionary damages in an amount to be proven
13 at trial, which Plaintiffs estimate to be at least \$33,768.22 and for punitive damages.

15 F. On the sixth cause of action for restitution of all money improperly obtained as a
16 result of unfair competition, estimated to be at least \$ 100,000;

18 G. On the seventh cause of action for return of an estimated \$35,000;

19 H. On the eighth cause of action, for compensatory damages Plaintiffs estimate to
20 be at least \$80,000 and for punitive damages;

22 I. On the ninth cause of action, for compensatory damages in an amount to be
23 proven at trial, estimated to be at least \$80,000 and for equitable remedies, including
24 disgorgement of profits in an amount to be proven at trial;

J. On the tenth cause of action, for compensatory damages in an amount to be proven at trial, that Plaintiffs estimate to be at least \$80,000.

K. On the eleventh cause of action, for compensatory damages that Plaintiffs estimate to be at least \$80,000;

L. On the twelfth cause of action, for threefold damages actually sustained and the costs of suit, in a sum not less than \$240,000, including a reasonable attorney fee, pursuant to 18 U.S.C. § 1964(c) with interest thereon at a reasonable rate, other and further relief as the Court may deem appropriate pursuant to 18 U.S.C. § 1964, and such other and further relief as the Court may deem proper and just in the premises.

M. On the thirteenth cause of action, \$33,768.22 of actual damages;

N. On the fourteenth cause of action, in an amount presently unknown but, upon information and belief, in excess of this court's jurisdictional minimum;

O. On the fifteenth cause of action, actual damages amounting to at least \$33,768.22, and disgorgement of all profits;

P. On all of the causes of action listed above, Plaintiffs further pray for the following:

- a. costs of suit;
- b. prejudgment and post-judgment interest on the foregoing amounts
- c. any further relief the court deems just and proper.

1 DATED: November 1, 2018
2 Los Angeles, California
3

SHEETS & ASLANIAN

4 By:
5

/s/ Tyler T. Sheets

6 Tyler T. Sheets, Esq. (SBN 315891)

7 *Attorneys for Plaintiffs,*
8 *International Neurofeedback*
9 *Logistics, Inc.*
10 *Myneurva Holdings, Inc.*
11 *INL-MD Brain Data Mining, LLC*
12 *Dr. Fred Starr*

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COMPLAINT